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Policy issues

Chemicals and waste management: implementation of decision 27/12

Report of the Executive Director

Summary

The present report has been prepared pursuant to paragraph 1 of section IX of Governing Council decision 27/12, on chemicals and waste management, and describes progress made in the implementation of the decision. It does not provide an exhaustive account of everything done pursuant to the decision, but highlights selected activities and results.

* UNEP/EA.I/1.

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I. Introduction

1. In implementing paragraph 4 of section I of decision 27/12, and in recognition of the significance of the findings of the Global Chemicals Outlook and its recommendations, the United Nations Environment Programme (UNEP) convened the first meeting of the Global Chemicals Outlook Expert Committee in Geneva in November 2013. The meeting brought together experts from several countries to review and comment on an issue paper outlining research gaps and information needs that could be addressed with further work on the Global Chemicals Outlook.

II. Lead and cadmium

2. In implementing paragraphs 3 and 4 of section II of decision 27/12, UNEP carried out the activities described in the following paragraphs.

3. UNEP continued to implement activities under the Partnership for Clean Fuels and Vehicles that are expected to eliminate leaded petrol globally within the next five years. The Partnership continues, through capacity-building workshops, expert visits and contacts with decision makers, to engage with the six remaining countries still using leaded petrol, namely, Afghanistan, Algeria, the Democratic People's Republic of Korea, Iraq, Myanmar and Yemen. In 2013, UNEP entered into an agreement with a regional partner to support the preparation of a clean fuels road map for the Middle East region that includes leaded petrol elimination in Yemen and Iraq. The Partnership is also following up with Algeria, which is expected to eliminate the use of leaded petrol by March 2014. The secretariat of the Partnership has directly supported over 80 countries in their efforts to phase out leaded petrol.

4. In 2013, UNEP supported a study that compared blood lead levels of people in Nairobi before and after Kenya eliminated leaded petrol in 2005. The tests differentiated between environmental and occupational lead exposure and compared results from studies carried out in 2005 and 2013. For both groups there was a 38 per cent reduction in blood lead levels in the post elimination period.

5. The Global Alliance to Eliminate Lead Paint focused its efforts on the activities described in its business plan, which describes the strategies, milestones and means of achieving the goals and overall objectives of the Global Alliance. The business plan lays out eight priority actions for 2012-2013 and additional actions for 2014–2020 in five focal areas: health, environment, workers' health, legislation and regulation, and outreach to industry. Priority actions in the business plan for 2012–2013 included filling information gaps on the presence or absence of lead paint in the consumer markets of those countries where little or no data is available.

6. Another business plan priority of the Global Alliance was the marking of an international day of action on the prevention of lead poisoning, pursuant to which the Global Alliance held the International Lead Poisoning Prevention Week of Action, which took as its theme the elimination of lead in paint. The Week of Action took place from 20 to 26 October 2013, at which time UNEP finalized and published a report presenting the elements of a national regulatory framework for eliminating lead in paint.[1]

7. Currently there are five Governments contributing either financially or in kind to the Global Alliance: Cameroon, Honduras, Paraguay, Switzerland and the United States of America. The International Paint and Painting Ink Council (IPPIC) has also joined the Global Alliance. Of the current non-governmental organization contributors, five are from Africa, two from North America, two from Western Asia and two from Asia and the Pacific. In total, there are 27 contributors to the Global Alliance.

III. Mercury

8. In paragraphs 2, 6, 9 and 12 of section III of decision 27/12, the Governing Council urged UNEP to undertake several actions on mercury. In response, UNEP undertook the actions described in the following paragraphs.

A. Adoption of a legally binding instrument on mercury

9. A conference of plenipotentiaries was held in Kumamoto, Japan, from 9 to 11 October 2013, with the full support of the Government of Japan, for the purpose of adopting and opening for

[1] See http://unep.org/hazardoussubstances/LeadCadmium/PrioritiesforAction/LeadPaints/FocalAreasofWork/GAELP/tabid/106381/Default.aspx.

signature the Minamata Convention on Mercury. The Convention was adopted by 139 Governments. As at 6 February 2014, there were 94 signatories and one party (the United States of America) to the Convention. The Conference of Plenipotentiaries also adopted a number of resolutions that will govern work to be undertaken during the interim period between adoption of the Convention and its entry into force, with a focus on rapid implementation and entry into force as well as preparations for the first meeting of the Conference of the Parties. The resolutions are available as the Final Act of the Conference of Plenipotentiaries (http://www.mercuryconvention.org/Negotiations/ConferenceofPlenipotentiaries/tabid/3441/Default.aspx).

10. Following a request by the Conference of Plenipotentiaries that the Executive Director provide secretariat services in the interim period, activities are under way to prepare for the sixth session of the intergovernmental negotiating committee as well as to support the group of technical experts established by the Conference of Plenipotentiaries. In implementing paragraph 9 of section III of decision 27/12, the secretariat is organizing a series of awareness-raising workshops on the requirements for ratifying and implementing the Convention. In undertaking all of those activities, the secretariat is seeking opportunities for cooperation and coordination with relevant international bodies, in particular the secretariats of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants.

B. Immediate action to reduce risks to human health and the environment from mercury

11. UNEP contributed directly to the UNEP Global Mercury Partnership through the provision of secretariat support and an information clearinghouse. Additional support by UNEP in the reporting period is described in the following paragraphs.[2]

12. In October 2013, UNEP published *Mercury: Acting Now*, which contains information on how the UNEP Global Mercury Partnership has supported Governments in addressing the key issues covered by the Minamata Convention on Mercury.[3]

13. UNEP concluded the implementation of a national storage and disposal project in Mexico and Panama in August 2013. Supported by the Government of Norway, the project provided an assessment of relevant national legislation and regulatory frameworks and an inventory of hazardous waste treatment facilities that could serve as temporary mercury storage facilities. The project resulted in national action plans aimed at the environmentally sound storage and disposal of mercury in both countries.

14. UNEP supported Kyrgyzstan in its efforts to reduce environmental and health risks from primary mercury mining in Khaidarkan. With funding from the Global Environment Facility (GEF) and the Government of Norway, UNEP is assisting the Kyrgyzstan in its efforts to move from primary mercury mining to alternative sustainable economic activities. Through active awareness-raising activities in 2013, the project has gained support from both the local community and the Government of Kyrgyzstan.

15. UNEP implemented a dental amalgam project in Kenya, Uganda and the United Republic of Tanzania in collaboration with the World Health Organization (WHO) that seeks to phase down the use of dental amalgam in line with the Minamata Convention. The project engaged the national Governments, including health and environmental authorities, as well as dental associations and manufacturers. The project built stakeholder capacity to promote alternatives to dental amalgam and the environmentally sound management of its waste. The project resulted in decreased releases of mercury from dental amalgam to the environment.

16. UNEP held a training of trainers' workshop on the use of the UNEP Toolkit for Identification and Quantification of Mercury Releases in South Africa in December 2013. Experts from 15 regional centres of the Basel and Stockholm conventions were trained. In collaboration with the United Nations Institute for Training and Research, an e-learning tool is being developed to further enhance the use of the Toolkit. Funded by the European Union, these activities will assist more countries in their efforts to develop national mercury inventories.

[2] Further details of UNEP support for every partnership area is available from www.unep.org/hazardoussubstances/Mercury/GlobalMercuryPartnership/tabid/1253/Default.aspx.

[3] The electronic brochure is available at http://issuu.com/unep/docs/mercury_acting_now?e=1015067/5529776.

17. UNEP convened the second global forum on reducing mercury use in artisanal and small-scale gold mining in Peru in September 2013. The forum highlighted issues relating to the formalization of miners and development of a national action plan for reducing mercury use in artisanal and small-scale gold mining. As a follow-up to the forum, an Andean regional meeting was held in Colombia in November 2013 at which countries identified priority ASGM issues and sought to establish an information exchange platform.

18. UNEP implemented a project funded by the United States Environmental Protection Agency on reducing mercury use in ASGM in Indonesia, focusing on technical measures such as distributing mercury recycling equipment to ASGM communities and seeking effective alternatives to mercury-using practices. The project resulted in the reduction of mercury releases by an estimated 3,000 kg in a single year and increased awareness among stakeholders.

19. UNEP implemented a project to reduce unintentional emissions of mercury from coal combustion for electrical power generation in China, India, the Russian Federation and South Africa. The project was funded by the European Union and benefited from technical assistance from the United States Environmental Protection Agency and the United States Geological Survey. With further funding from the European Union and the United States, similar on activities are under way in Indonesia, Thailand and Viet Nam.

20. A global survey supported by UNEP on chlor-alkali facilities provided information on the significant global decrease in the number of chlor-alkali facilities from 140 in 2005 to 81 in 2013.

21. In March 2013, the Ministry of Environmental Protection of China and UNEP organized an inception workshop for a UNEP/GEF project on mercury inventory development in Beijing. Some 45 participants from industry associations (including the China Electricity Council and associations from the chlor-alkali, petroleum, non-ferrous metal and cement industries), the Guizhou, Hunan and Shaanxi provinces of China, the academic community, the Embassy of Norway (which co-finances the project) and the UNEP China office were present and made commitments to the project.

IV. Implementation of the Strategic Approach to International Chemicals Management

22. In implementing paragraphs 3, 5 and 7 of section IV of decision 27/12, UNEP initiated the actions described in the following paragraphs.

A. Implementation of the Strategic Approach to International Chemicals Management

23. The second report on implementation of the Strategic Approach to International Chemicals Management, covering the period from 2011 to 2013, will be presented to the International Conference on Chemicals Management at its fourth session, to be held in 2015. To prepare the report, the Strategic Approach secretariat launched an online reporting tool for reporting from January 2014 until 31 March 2014. The draft report will be presented for the consideration of the Strategic Approach Open-ended Working Group at its second meeting, in December 2014, and to the International Conference on Chemicals Management at its fourth session. The report will provide tangible data for the assessment of the state of implementation of the Strategic Approach.

24. As at 31 December 2013, over $34 million had been made available to the Strategic Approach's Quick Start Programme Trust Fund to fund 154 projects in 104 countries. Projects have focussed on enabling capacity-building and implementation activities, technical assistance in the development of national chemicals profiles and capacity assessments, the development of risk assessment methodologies, the implementation of multilateral environmental agreements on chemicals and waste, the use of non-chemical alternatives and the strengthening of national institutional capacity for sound chemicals management. Project recipients included 54 least developed countries and small island developing States.

25. Following the extension of the deadline for the receipt of contributions to the Quick Start Programme Trust Fund until the fourth session of the Conference, the secretariat opened the thirteenth round of applications for Quick Start funding, during which 35 complete and eligible applications were received. The Trust Fund Implementation Committee appraised the proposals at its sixteenth meeting, held in Vienna on 25 November 2013, and approved funding for four proposals with a combined value of $651,823, including $396,866 for two projects on non-chemical alternatives supported by the Government of France.

26. Considering the revised contribution targets in the Quick Start Programme business plan approved by the Quick Start Programme Executive Board at its eighth meeting, held in Geneva in March 2013, the Committee also approved, or conditionally approved pending the availability of additional funding, 13 projects from Governments with a combined value of $3,094,648. Fundraising for those 13 projects is currently under way.

27. Preparations for the second meeting of the Open-ended Working Group and the fourth session of the International Conference on Chemicals Management are under way. The former will held from 14 to 17 December 2014 in Geneva and the latter will take place in 2015, at a date and place to be confirmed.

B. Overall orientation and guidance on achieving the 2020 goal of sound chemicals management

28. The International Conference on Chemicals Management is expected to take decisions at its fourth session on the priority actions needed to meet the 2020 goal of sound chemicals management. As decided at the third session of the Conference, overall orientation and guidance on achieving the 2020 goal for sound chemicals management is currently being developed by the Strategic Approach secretariat under the guidance of the Bureau of the Conference.

29. The Strategic Approach secretariat is basing its work on the overall orientation and guidance on a methodology that includes an analysis of the data provided during the second reporting cycle on implementation of the Strategic Approach, covering the period 2011–2013, on the outcome of regional meetings and on a literature review of existing reports. The overall orientation and guidance will be both retrospective, in that it will look at achievements to date and assess gaps, and prospective, in that it will identify priority actions and make recommendations that will define the future agenda for chemicals and wastes with a view to achieving the 2020 goal.

30. Strategic Approach stakeholders have been urged to work together in the development of the overall orientation and guidance and to be prepared to reinforce and strengthen their individual commitments to the 2020 goal at the meeting of the Open-ended Working Group to be held at the end of 2014 and at the fourth session of the International Conference on Chemicals Management.

C. Emerging issues and mainstreaming

31. In implementing paragraphs 5 and 7 of section IV of decision 27/12, and in accordance with section F of resolution III/2 of the International Conference on Chemicals Management, on endocrine-disrupting chemicals, UNEP, WHO and the Organization for Economic Cooperation and Development have developed a workplan, which was presented to the Bureau of the Conference. In accordance with the plan, UNEP has delivered a series of regional awareness-raising workshops back to back with Strategic Approach regional meetings, at which presentations on endocrine-disrupting chemicals have been delivered. Information has been gathered from each region on the state of awareness of the issue as well as any national actions that may have been taken. Work is also under way to establish a network of experts who will be able to contribute to further work on endocrine-disrupting chemicals to address gaps identified in a 2012 report prepared by UNEP and WHO.

32. Since the third session of the Conference, the Global Perfluorinated Chemicals (PFC) Group, led by UNEP and the Organization for Economic Cooperation and Development, has published a synthesis paper on perfluorinated and polyfluorinated chemicals. The paper provides detailed information on PFCs and their industrial uses. It also highlights their negative impact and identifies potential alternatives. The paper is intended to help policy makers as it provides regulatory approaches to managing PFCs and determining key areas of concern.

33. In accordance with section C of resolution III/2, on chemicals in products, UNEP, in coordination with the Chemicals in Products (CiP) Project Steering Group, has developed a workplan for the purpose of developing a CiP programme during the period between the third and fourth sessions of the Conference. The workplan includes both the development of the proposed CiP programme and pilot testing of the proposed programme in one or more priority product sectors. The governing principles and guidance on implementation for the programme are based on principles and guidance adopted in similar voluntary programmes, including the UNEP Principles for Responsible Investment. The proposed structure would include guiding principles for CiP information exchange; a description of stakeholder roles and responsibilities; and guidance on chemicals information exchange.

34. UNEP activities on mainstreaming the sound management of chemicals into national development plans are mainly carried out in partnership with the United Nations Development Programme and WHO. The latest project on mainstreaming was initiated in April 2013 in Mauritius. UNEP has finalized a guidance document, entitled "Guidance on the development of legal and

institutional infrastructures for sound Management of chemicals and measures for cost recovery of national administration".

35. Progress was made during the period under review in the UNEP/WHO-led Health and Environment Strategic Alliance to implement the Libreville Declaration on Health and Environment in Africa. To date 34 countries have established multi-sectoral task teams and completed situation analyses and needs assessments. Eighteen multi-sectoral projects in seven countries have been developed. The third Inter-Ministerial Conference on Health and Environment in Africa, to be held in Libreville at a date to be determined, will take stock of progress realized by countries since the adoption of the Libreville Declaration in 2008 with the aim of defining a strategic agenda for accelerating the joint contribution of the health and environment sectors to sustainable development in Africa.

36. Within its African Chemicals Programme to implement the Libreville Declaration, UNEP has initiated a feasibility study for the establishment of an integrated environment and health observatory system for Africa to provide the information needed to effectively reduce chemical risks to the environment and human health. The aim of the project is to develop background information on the design and cost of such a system for Africa.

37. A number of activities described above have South-South cooperation as an important element of capacity-building. Several GEF projects on persistent organic pollutants that are under way build on South-South cooperation as a major capacity-building component.

V. Waste management

38. In implementing paragraphs 1 and 2 of section V of decision 27/12, UNEP has prepared a draft organization-wide strategy for prioritizing its work and making recommendations on existing and future areas of UNEP work on waste. The draft strategy has been completed and is being prepared for publication in advance of the first session of the Environment Assembly.

39. The UNEP International Environmental Technology Centre, in collaboration with the International Solid Waste Association (ISWA), has started work on the development of an assessment of waste management around the world. The Global Waste Management Outlook (http://www.unep.org/ietc/InformationResources/Events/GlobalWasteManagementOutlookGWMO/tabid/106373/Default.aspx) will provide an authoritative overview and analysis of policy instruments addressing the various stages of the waste hierarchy and financing models for waste management around the world. A core team comprising a chief editor, lead authors and case study editors and representatives of various stakeholders and regions has been established. The final draft of the publication is expected to be completed by March 2015.

VI. Persistent organic pollutants

40. In implementing paragraphs 1 and 3 of section VI of decision 27/12, the Executive Director prepared documents on PCB (UNEP/POPS/COP.6/INF/5 and UNEP/POPS/COP.6/9) and DDT (UNEP/POPS/COP.6/INF/3 and UNEP/POPS/COP.6/4) for the sixth meeting of the Conference of the Parties to the Stockholm Convention.

41. In its decision SC-6/6, on PCBs, and decision SC-6/1, on DDT, the Conference of the Parties to the Stockholm Convention welcomed the decision by UNEP to assume the administration and implementation of the PCB Elimination Network and the Global Alliance for the Development and Deployment of Products, Methods and Strategies as Alternatives to DDT for Disease Vector Control. The Conference also invited UNEP to report to it at its seventh meeting, to be held in 2015.

42. In addition, the decision on DDT invited UNEP, in consultation with WHO, the DDT expert group and the Convention secretariat, to prepare a road map for the development of alternatives to DDT and to present it to the Conference at its seventh meeting.

43. In its decision BC-11/3, the Conference of the Parties to the Basel Convention invited UNEP to prepare, in consultation with a small intersessional working group, draft technical guidelines for the environmentally sound management of wastes consisting of, containing or contaminated with unintentionally produced dibenzo-p-dioxins, polychlorinated dibenzofurans, hexachlorobenzene, pentachlorobenzene or polychlorinated biphenyls.

44. On the occasion of the second simultaneous extraordinary meetings of the conferences of the parties to the Basel, Rotterdam and Stockholm conventions, an information meeting on the PCB Elimination Network was held on 6 May 2013 and the second meeting of the Assembly of the Global Alliance was held on 7 May 2013. The members of the Bureau of the Conference of the Parties to the

Stockholm Convention were invited to nominate the regional representatives to the Network and the Alliance to begin their terms by 1 January 2014.

45. UNEP continues to cooperate with the secretariat of the Basel, Rotterdam and Stockholm conventions, the World Health Organization and partners in implementing environmental and human health monitoring projects in developing country regions to enable parties to the Stockholm Convention to report on the presence of persistent organic pollutants in their countries. Reports were issued during the period under review on the concentrations of persistent organic pollutants in air and human milk. The data were collected through the first round of projects funded by GEF and the Strategic Approach Quick Start Programme and revealed that concentrations of DDT were the highest for both matrices. The highest risk for humans, however, based on pools of mothers' milk from 84 countries, was posed polychlorinated dibenzodioxins, dibenzofurans and biphenyls (PCDD, PCDF, PCB). The performance of persistent organic pollutant laboratories is discussed in a report entitled *Biennial Global Interlaboratory Assessment on Persistent Organic Pollutants – Second Round (2012-2013)*. Projects to contribute to the second phase of the global monitoring plan for the evaluation of the effectiveness of the Stockholm Convention, such as the sixth round of the human milk survey, were launched at the second simultaneous extraordinary meetings.

46. Finally, UNEP, with funding from the Global Environment Facility, is assisting 38 parties to the Stockholm Convention in the preparation of their second national implementation plans. The plans – to be completed in 2015/16, will demonstrate progress in the management and reduction of persistent organic pollutants in those countries.

VII. Enhancing cooperation and coordination within the chemicals and wastes cluster

47. In paragraph 2 of section VII of decision 27/12, the Governing Council requested the Executive Director to continue to facilitate and support a consultative process on the challenges to and options for further enhancing cooperation and coordination in the chemicals and wastes cluster in the long term. In implementing that paragraph, UNEP held the first meeting in the consultative process in Pretoria on 19 and 20 November 2013. The meeting allowed for Governments, intergovernmental organizations, civil society organizations and private sector entities to engage in a constructive and open dialogue on how a stronger and better-coordinated management of the chemicals and wastes cluster could be achieved in the long run. Participants were able to identify a broad range of elements and possible steps that might improve the coordinated management of chemicals and wastes and enhance the ability to respond to new and emerging issues and challenges at the global, regional, national and local levels.

48. A second meeting in the consultative process was held from 25 to 27 February 2014 in New York. In accordance with paragraph 2 of section VII of decision 27/12, the meeting participants reached agreement on an outcome document to be submitted to the Executive Director, with the expectation that the Executive Director would submit a report on the outcome of the process to the United Nations Environment Assembly for consideration at its first session. The report of the Executive Director is set out in addendum 2 to the present report.

VIII. The consultative process on financing options for chemicals and wastes

49. In implementing paragraph 8 of section VIII of decision 27/12, UNEP convened a workshop in Nairobi in July 2013 entitled "Mainstreaming Sound Management of Chemicals into National Plans". The workshop participants developed a road map for the initial stages of the sound management of chemicals for 25 developing countries in Africa. They also considered how to mainstream development plans based on the integrated approach through knowledge of environmental and health effects and their associated economic effects.

50. In response to paragraph 9 of section VIII of decision 27/12, the conferences of the parties to the Basel, Rotterdam and Stockholm conventions at their second simultaneous extraordinary meetings in May 2013 adopted an omnibus decision on enhancing cooperation and coordination among the three conventions. Paragraphs 26–29 of that decision address cooperation and coordination with the Minamata Convention on Mercury and section VII of the decision, on facilitating financial resources for chemicals and wastes, welcomes the integrated approach and calls for actions to implement it.

51. In response to the invitation in paragraph 12 of section VIII of decision 27/12, the Assembly of the Global Environment Facility at its meeting to be held in May 2014 on the sixth replenishment, will

consider a proposal to amend the GEF instrument to change the GEF focal area for persistent organic pollutants and ozone-depleting substances to a focal area for chemicals and wastes covering the broader chemicals and waste agenda, including the Minamata Convention on Mercury and the Strategic Approach.

52. In paragraphs 13–16 of section VIII of decision 27/12, the Governing Council called for the development of terms of reference for a special programme, funded by voluntary contributions, to support institutional strengthening at the national level for implementation of the Basel, Rotterdam and Stockholm conventions, the Minamata Convention and the Strategic Approach and requested the Executive Director to facilitate and support a country-led meeting to further develop such terms of reference.

53. In response, a meeting to develop such terms of reference was convened in Bangkok from 27 to 30 August 2013. Following extensive negotiations, the meeting participants agreed to the terms of reference for the special programme, although some text remained in square brackets to indicate that agreement on it had not been reached.

54. The meeting participants further agreed that the meeting Chair, Mr. Alf Wills (South Africa), would submit an edited version of the terms of reference to the Executive Director for consideration by the United Nations Environment Assembly at its first session. The terms of reference are set out in addendum 1 to the present report.

IX. Final provisions

55. In section IX of decision 27/12, the Governing Council requested the Executive Director to present a report on progress in the implementation of the decision to the governing body of UNEP at its next session and invited Governments and others in a position to do so to provide extrabudgetary resources for the implementation of the decision.

56. Capacity-building activities funded through extrabudgetary resources at the country level are integrated into most of the above-mentioned initiatives and projects. The most prominent areas in this regard are Strategic Approach implementation by countries; mercury; the elimination of leaded petrol and lead in paint; persistent organic pollutants; mainstreaming of sound chemicals management into national plans; and waste management projects.

57. The activities described in the present progress report would not have been possible without the generous support of Governments in the form of both earmarked and unearmarked funding for activities on lead and cadmium, mercury partnerships, the negotiation of the Minamata convention, Strategic Approach implementation, waste and persistent organic pollutants, as well as the consultative process on enhancing cooperation and coordination within the chemicals cluster and the consultative process on financing options for chemicals and wastes.

58. GEF has also provided funding for a number of the activities described, with regard to matters such as lead and cadmium, mercury, chemicals in products and persistent organic pollutants.

59. To ensure progress in the 2014–2015 biennium, further extrabudgetary funds will be needed for specific activities and programmes in areas such as mainstreaming sound chemicals management into national plans; elimination of lead in paint; mercury; Strategic Approach implementation; waste management and persistent organic pollutants as described in the programme of work for 2014–2015. In addition, a number of international meetings will require extrabudgetary resources, including meetings of the intergovernmental negotiating committee to prepare a legally-binding instrument on mercury, the International Conference on Chemicals Management and the Strategic Approach Open-ended Working Group.

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Chemicals and waste management: implementation of decision 27/12

Outcome of the country-led meeting of Governments to develop the terms of reference for a special programme to support institutional strengthening at the national level for implementation of the Basel, Rotterdam and Stockholm conventions, the future Minamata Convention and the Strategic Approach to International Chemicals Management

Report of the Executive Director

In paragraphs 13 to 16 of section VIII of its decision 27/12, the Governing Council of the United Nations Environment Programme (UNEP) called for the development of terms of reference for a special programme, funded by voluntary contributions, to support institutional strengthening at the national level for implementation of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, the Stockholm Convention on Persistent Organic Pollutants, the future Minamata Convention on Mercury[1] and the Strategic Approach to International Chemicals Management. It also requested the Executive Director of UNEP to facilitate and support a country-led meeting to further develop such terms of reference. The country-led meeting was convened in Bangkok from 27 to 30 August 2013. Following extensive negotiations, the meeting participants agreed to terms of reference for the special programme, although some text remained within square brackets to indicate that agreement had not been reached with regard to that text. It is expected that the bracketed text will be discussed at the first session of the United Nations Environment Assembly of the United Nations Environment Programme with the aim of reaching agreement on the terms of reference. The draft terms of reference, including the bracketed text, are set out in the present document for consideration by the Environment Assembly in accordance with paragraph 16 of decision 27/12. The draft terms of reference are presented as agreed upon by the participants in the country-led meeting, without formal editing.

* UNEP/EA.1/1.

[1] The Minamata Convention was adopted on 10 October 2013 but has not yet entered into force.

Terms of reference for the special programme to support institutional strengthening at the national level for implementation of the Basel, Rotterdam and Stockholm conventions, the future Minamata Convention and the Strategic Approach to International Chemicals Management

Recalling decision 27/12 on chemicals and waste management, part VIII, paragraphs 13 and 14 of the First Universal Session of the Governing Council/Global Ministerial Environment Forum of the United Nations Environment Programme (UNEP):

I. Objective of the Special Programme

1. The objective of the Special Programme is to support country-driven institutional strengthening at the national level, in the context of an integrated approach to address the financing of the sound management of chemicals and wastes, taking into account the national development strategies, plans and priorities of each country, to increase sustainable public institutional capacity for the sound management of chemicals and wastes throughout their life cycle. Institutional strengthening under the Special Programme will facilitate and enable the implementation of the Basel, Rotterdam and Stockholm conventions, the future Minamata Convention and the Strategic Approach to International Chemicals Management (hereinafter referred to as "the Instruments").

II. Definition of institutional strengthening

2. For the purposes of the Special Programme, institutional strengthening is defined as enhancing the sustainable institutional capacity of Governments to develop, adopt, monitor and enforce policy, legislation and regulation, as well as to gain access to financial and other resources for effective frameworks for the implementation of the Instruments for the sound management of chemicals and wastes throughout their life cycle.

III. Expected outcomes of institutional strengthening through the Special Programme

3. It is expected that strengthened national institutions would have the capacity to do the following:

(a) Develop and monitor the implementation of national policies, strategies, programmes and legislation for the sound management of chemicals and wastes;

(b) Promote the adoption, monitoring and enforcement of legislation and regulatory frameworks for the sound management of chemicals and wastes;

(c) Promote the mainstreaming of sound management of chemicals and wastes into national development plans, national budgets, policies, legislation and implementation frameworks at all levels, including addressing gaps and avoiding duplication;

(d) Work in a multisectoral, effective, efficient, transparent, accountable and sustainable manner in the long term;

(e) Facilitate multisectoral and multi-stakeholder cooperation and coordination at the national level;

(f) Promote private sector responsibility, accountability and involvement;

(g) Promote the effective implementation of the Basel, Rotterdam and Stockholm conventions, the future Minamata Convention and the Strategic Approach;

(h) Promote cooperative and coordinated implementation of the Instruments at the national level.

IV. Scope of the Special Programme

4. The Special Programme should avoid duplication and proliferation of funding mechanisms and associated administration, and should fund activities that fall outside the mandate of the Global Environment Facility.

5. The activities funded under the Special Programme may encompass the following:

(a) Identifying national institutional capacity, weaknesses, gaps and needs, as well as strengthening the institutional capacity to do so, where required;

(b) Strengthening institutional capacity to plan, develop, undertake, monitor and coordinate the implementation of policies, strategies and national programmes for the sound management of chemicals and wastes;

(c) Strengthening institutional capacity to improve progress reporting and performance evaluation capabilities;

(d) Promoting an enabling environment to foster the ratification of the Basel, Rotterdam and Stockholm conventions and the future Minamata Convention;

(e) Enabling the design and operation of institutional structures dedicated to the promotion of the sound management of chemicals and wastes throughout their life cycle;

(f) Strengthening institutional capacity to promote measures to support all aspects of the sound management of chemicals and wastes, including more specific nationally identified thematic areas covered by the Instruments.

V. Eligibility for support from the Special Programme

6. Support from the Special Programme will be available for developing countries, taking into account the special needs of least developed countries and small island developing States, and for countries with economies in transition, with priority given to those with least capacity.

7. Applicants will be eligible if they are party to any one of the relevant conventions or have demonstrated that they are in the process of preparing for ratification of any one of the conventions.

8. Applications will include identification of the associated domestic measures to be taken to ensure that the national institutional capacity supported by the Special Programme is sustainable in the long term.

VI. Governance arrangements for the Special Programme

9. An Executive Board will be the decision-making body and oversee the Special Programme with the support of a secretariat.

10. The Executive Board will reflect [equitable, geographical representation and] a balance between donors and recipients. The term of the representatives will be in a two-year rotation. The Executive Board will be composed of the following:

(a) Four representatives of recipient countries drawn from the following United Nations regions: Africa, Asia-Pacific, Central and Eastern Europe, and Latin America and the Caribbean. In addition, the Executive Board will have one representative from a least developed country or a small island developing State on a rotational basis.

(b) Five donor representatives, which are not also recipient countries [, drawn from the United Nations regions in a balanced manner].

11. [The executive secretaries of the Secretariat of the Basel, Rotterdam and Stockholm conventions and the future Minamata Convention, the Coordinator of the Strategic Approach and a representative of the secretariat of the Global Environment Facility, [as well as representatives of Governments and regional economic integration organizations,] any implementing agencies and one representative from [each of] the governing bodies of the Instruments may participate, at their own expense, as observers at the meetings of the Executive Board.]

VII. Mandate and functions of the Executive Board

12. The Executive Board will have two co-chairs, one from recipient countries and one from donor countries.

13. The Executive Board will meet [twice a year] [yearly] and take its decisions by consensus wherever possible. If consensus cannot be reached, the Executive Board will, as a last resort, take its decisions by a two-thirds majority of its members present and voting. The Executive Board will, as required, further develop its rules of procedure at its first meeting.

14. The Executive Board will take operational decisions regarding the functioning of the Special Programme, including the approval of applications for funding, and will endorse procedures for application, assessment, reporting and evaluation. The Executive Board will provide operational guidance on the implementation of the Special Programme and will provide advice on other matters as required.

VIII. Administering organization

15. As the administering organization, UNEP will provide a Special Programme trust fund and a secretariat to deliver administrative support to the Programme, including the allocation of human and other resources.

16. The secretariat will process application proposals for approval by the Executive Board, manage approved allocations and service the Executive Board. The Secretariat will report on its operations to the Executive Board and will be accountable to the Executive Director of UNEP for administrative and financial matters. The secretariat will submit an annual report to the Executive Board, which will also be sent to the governing bodies of UNEP and of the Instruments for their consideration.

IX. Operational arrangements for the Special Programme

17. The Special Programme will receive applications directly from national Governments. It will be easily accessible, simple and effective, and draw on experience from existing support mechanisms as appropriate.

18. Applications should be outlined within the context of an overall country approach to strengthening institutional capacity. The applications should contain proposed measures and performance targets, and information relating to long-term sustainability.

19. Applications should be submitted to the secretariat. The secretariat will appraise applications for consideration and decision by the Executive Board.

20. Cumulative allocations to a country should be decided by the Executive Board, based on the contributions received and the needs expressed in the applications submitted. Of that total, an amount not exceeding 13 per cent may be retained for administrative purposes.

21. Beneficiary countries will contribute resources equal to the value of at least 25 per cent of the total allocation. The Executive Board may reduce that percentage, commensurate with a consideration of the specific national circumstances, capacity constraints, gaps and needs of the applicant.

22. Beneficiary countries shall submit annual reports on progress achieved. A final report and financial audit shall be submitted upon completion of each project, which shall include a full accounting of funds used and an evaluation of outcomes, as well as evidence as to whether the performance targets have been met.

X. Contributions

23. Contributions will be encouraged from all signatories and parties to the conventions and other Governments with the capacity to do so, as well as from the private sector, including industry, foundations, other non-governmental organizations and other stakeholders.

XI. Duration of the Special Programme

24. The Special Programme will be open to receive voluntary contributions and applications for support for seven years from the date it is established. On the basis of a satisfactory review and evaluation, and subject to a recommendation from the Executive Board to the United Nations Environment Assembly, the Special Programme may be eligible for a one-time extension, not to exceed an additional five years. Special Programme funds may be distributed for a maximum of 10 years from the date the Programme is established, or eight years from the date it is extended, if applicable, at which point the Programme will complete its operations and close. The terms of reference of the above-mentioned review and evaluation are to be decided by the Executive Board.

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Policy issues

Chemicals and waste management: implementation of decision 27/12

Outcome of the country-led consultative process on enhancing cooperation and coordination within the chemicals and wastes cluster: strengthening the sound management of chemicals and waste in the long term

Report of the Executive Director

1. At its twenty-sixth session the Governing Council of the United Nations Environment Programme adopted decision 26/12, on enhancing cooperation and coordination within the chemicals and wastes cluster. In that decision the Governing Council requested the Executive Director to facilitate and support an inclusive, country-driven, consultative process on the challenges to and options for further enhancing cooperation and coordination in the chemicals and wastes cluster in the long term. In its decision SS.XII/5, on enhancing cooperation and coordination within the chemicals and wastes cluster, the Governing Council reiterated its request to the Executive Director and in its decision 27/12, on chemicals and waste management, it further requested the Executive Director to present a report on the outcome of the consultative process to the United Nations Environment Assembly of the United Nations Environment Programme at its first session, in June 2014.

2. The consultative process has been driven by countries in recognition that progress in the sound management of chemicals and waste has not been sufficient globally and that continued focus on the sound management of chemicals and waste in the long term is required.

3. The first meeting in the country-led consultative process took place in Pretoria on 19 and 20-November 2013. The second meeting in the consultative process took place in Glen Cove, United States of America, from 25 to 27 February 2014. Both meetings were attended by representatives of Governments, intergovernmental organizations, United Nations bodies and secretariats, civil society organizations and industry.

4. The outcome document of the consultative process has been submitted to the Executive Director and, pursuant to decision 27/12, is set out in the annex to the present report as his report to the Environment Assembly at its first session. The outcome document is presented as agreed upon by the participants in the country-led consultative process, without formal editing.

* UNEP/EA.1/1.

Annex

Strengthening the sound management of chemicals and wastes in the long term[a]

A. Introduction

1. Chemicals are inextricably linked to our lives; they are used or produced in almost every industry and social sector, including health, energy, transport, agriculture, construction, textile, mining and consumer products. Chemicals contribute significantly to the well-being of society and are essential for sustainable development and for meeting the challenges of the future. However, they can pose a threat to human health, the environment and sustainable development if not managed in a sound manner throughout their life cycle, including at the waste stage.

2. The global production and use of and trade in chemicals, in addition to the generation of and trade in wastes, are increasing, with growth patterns placing an increasing burden on developing countries and countries with economies in transition, in particular the least developed countries and small island developing States, and presenting them with special difficulties in meeting this challenge.

3. The need to continue to take concerted action for the sound management of chemicals and wastes is accentuated by a lack of management capacity in developing countries and countries with economies in transition, dependency on pesticides in agriculture, exposure of workers and communities to harmful chemicals and wastes and concern about the long-term effects of chemicals and wastes on both human health and the environment and, therefore, sustainable development. The significant burden of disease attributable to exposure to hazardous chemicals and wastes is a cause for concern. The poorest populations and vulnerable groups are often the most affected.

4. In Johannesburg, South Africa, in 2002, Governments agreed to aim to achieve that, by 2020, chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment. That goal was adopted by multiple stakeholders at the first session of the International Conference on Chemicals Management. The 2020 target was further recognized in the outcome document of the United Nations Conference on Sustainable Development, entitled "The future we want", and was extended to cover hazardous wastes. Strengthened sound management of chemicals and wastes in the long term is an essential cross-cutting issue for sustainable development because there are benefits for the environment, health, poverty eradication, the economy and societies in general.

5. At the United Nations Conference on Sustainable Development, Governments commended the increased coordination and cooperation among the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Stockholm Convention on Persistent Organic Pollutants and encouraged continued coordination and cooperation among them.

6. Dedicated resources for the sound management of chemicals and wastes have expanded, including through the Global Environment Facility focal area on chemicals and wastes, which now has a wider scope, but further resources are needed to respond to the multiple challenges.

B. Vision

7. To achieve the sound management of chemicals throughout their life cycle and of hazardous wastes in ways that lead to the prevention or minimization of significant adverse effects on human health and the environment, as an essential contribution to the three dimensions of sustainable development.

[a] The present document is the outcome of the country-led consultative process on the challenges to and options for further enhancing cooperation and coordination within the chemicals and wastes cluster in the long term, as set out in decision 26/12 of the Governing Council of the United Nations Environment Programme (UNEP). The document is being submitted to the Executive Director of UNEP on 27 February 2014 for inclusion in his report to the United Nations Environment Assembly in June 2014. The document provides a summary of some of the views expressed by participants during the process. The views are neither negotiated nor agreed, nor intended to preempt or prejudge decisions in other processes in the chemicals and wastes cluster.

C. Long-term policy elements

1. Fundamental elements for achieving the vision

8. The strengthened sound management of chemicals and wastes in the long term is essential for sustainable development and should be embedded in the sustainable development agenda.

9. The sound management of chemicals and wastes should be mainstreamed into local, national, regional and international policies and strategies, including sectoral, financial, legal and capacity-building policies, as well as international financing mechanisms and institutions.

10. There is a need to increase the political priority and commitment to the sound management of chemicals and wastes at the local, national, regional and global levels, recognizing that a number of processes present opportunities to draw attention to these important issues, including those relating to the sustainable development goals and the Strategic Approach to International Chemicals Management.

11. Achievement of the vision involves an effective, efficient, coherent and coordinated response to challenges in the sound management of chemicals and wastes at the national, regional and global levels.

12. The need to prevent or minimize the significant adverse effects from chemicals and hazardous wastes on human health and the environment will continue to provide a strong basis for sound chemicals and waste management beyond 2020 and could be accompanied by supplementary targets and indicators, within a defined time frame.

13. The sound management of chemicals and wastes is the shared responsibility of all stakeholders, including Governments, industry and others.

2. Basic elements to be addressed

14. A fundamental element for the sound management of chemicals and wastes is the need to develop, implement and enforce basic national legislative and policy frameworks, including designating the responsibilities of industry and the wider business community, and to have the necessary national institutional capacity.

15. Industry has a special responsibility, as designer, producer and user of chemicals and products, and should apply sustainable chemistry, recognizing the ongoing efforts being undertaken in this regard.

16. The effective and efficient implementation of existing chemicals and waste-related obligations under multilateral environmental agreements and actions to implement voluntary frameworks, building on experiences and successes, is essential.

17. Improved access to and generation and sharing of relevant data and understandable information throughout the supply chain are necessary for more informed decision-making and political and public awareness.

18. The sound management of chemicals and wastes includes promoting sustainable production and consumption patterns, including applying a life-cycle approach, and the consideration of waste as a resource.

19. New and emerging issues and challenges of global concern should be identified scientifically through an efficient, multi-stakeholder and inclusive process and should be adequately and effectively addressed. Responding to those issues and challenges requires sufficient capacity at the national, regional and global levels.

3. Reinforcing measures

20. In identifying options to enhance the management of chemicals and wastes in the long term, there is a need to first take stock and evaluate progress in achieving the 2020 goal, taking into account the relevant evaluations in the chemicals and wastes cluster.

21. The sound management of chemicals and wastes should respond specifically to the needs and challenges of developing countries and countries with economies in transition.

22. The multidimensional aspects of the sound management of chemicals and wastes provide an opportunity for enhanced cooperation and coordination at the national, regional and global levels, acknowledging the work undertaken to enhance synergies among the Basel, Rotterdam and Stockholm conventions.

23. Efforts to promote the sound management of chemicals and wastes will require collaborative multisectoral participation, in particular by broadening the participation of sectors that have not traditionally been involved. Such collaboration should address the strong interlinkages with sectors such as health, education, labour, mining, the environment, agriculture, water and industry.

24. The sound management of chemicals and wastes also requires multi-stakeholder involvement, including from industry and civil society, as well as the research and scientific community.

25. At the global and regional levels, the sound management of chemicals and wastes would benefit from enhanced cooperation and coordination among the organizations participating in the Inter-Organization Programme for the Sound Management of Chemicals[b] and other relevant intergovernmental organizations, inter alia, the United Nations Human Settlements Programme, and with conventions within and outside the chemicals and wastes cluster.

26. At the national level, the effective sound management of chemicals and wastes requires cooperation among all relevant ministries, such as between agriculture and environment ministries with regard to pesticide regulations.

27. Future efforts to manage chemicals and wastes throughout their life cycle will depend on and benefit from enhanced scientific and technical cooperation and knowledge, building on, inter alia, the *Global Chemicals Outlook* report and its recommendations, the future global waste management outlook report and other relevant sources of information. Furthermore, existing and future scientific data could foster consideration of common objectives for the protection of health and the environment as a basis for future policies.

28. Solutions to minimize the adverse effects of chemicals and wastes have been achieved through existing practices involving the sound management of chemicals and wastes in several countries, which have the potential to be replicated, including by building the capacity of countries to implement those solutions.

29. An integrated approach to financing the sound management of chemicals and wastes, including through mainstreaming in national budgets and development assistance plans, industry involvement and dedicated external financing, is crucial to mobilizing financial resources in the long term.

30. Sustainable, predictable, adequate and accessible long-term funding at all levels, in addition to timely and appropriate technical assistance for activities in support of the sound management of chemicals and wastes, is a key element, in particular in developing countries and countries with economies in transition.

31. Further efforts to elaborate the long-term vision, especially in relation to waste, should be based on full multi-stakeholder involvement, awareness-raising for the public and political leaders and progress in achieving the 2020 goal.

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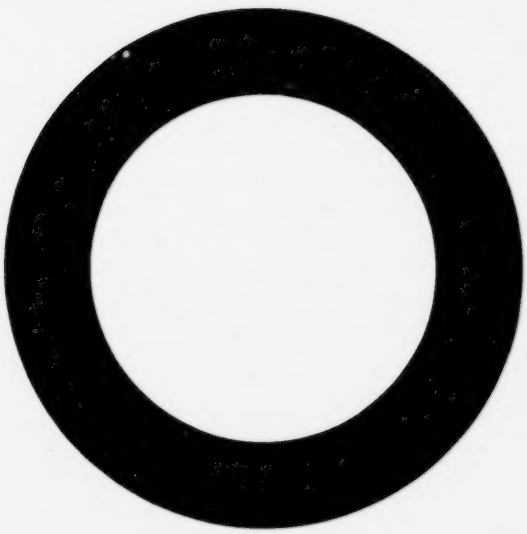
[b] Food and Agriculture Organization of the United Nations, International Labour Organization, Organisation for Economic Cooperation and Development, United Nations Development Programme, UNEP, United Nations Industrial Development Organization, United Nations Institute for Training and Research, World Bank and World Health Organization.



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Budget and programme of work for the biennium 2016-2017 and the Environment Fund and other budgetary matters

Revision of the financial rules of the United Nations Environment Programme

Report of the Executive Director

I. Background

1. Following the decision of the General Assembly to adopt the International Public Sector Accounting Standards (IPSAS), effective 1 January 2014, it became necessary to revise the financial rules of the United Nations Environment Programme (UNEP) in order to harmonize them with IPSAS.

2. At its twenty-seventh session, the Governing Council of UNEP acknowledged the need for a timely and efficient transition to IPSAS and other revisions of the financial rules that may be required to improve the efficiency, effectiveness, accountability and responsiveness of UNEP, and requested the Executive Director, in consultation with the relevant United Nations bodies and the Committee of Permanent Representatives, to take action and to submit a report to the Governing Council at its next session.

Briefing to the Committee of Permanent Representatives, 25 September 2013

3. At the annual meeting of the subcommittee of the Committee of Permanent Representatives held on 25 September 2013, a representative of the secretariat gave a presentation on progress made and steps taken towards the approval of revisions of the financial rules of UNEP, noting that in April 2013, the Controller had established a joint, four-member working group, comprising the Department of Management, the United Nations Office at Nairobi, the United Nations Human Settlements Programme (UN-Habitat) and UNEP, to draft revisions of the financial rules of UNEP and UN-Habitat. He informed the Committee that the Controller had also requested the United Nations Office at Nairobi to prepare a matrix comparing the newly adopted United Nations Financial Regulations and Rules with the existing UNEP financial rules, with the aim of ultimately proposing changes to ensure harmonization. UNEP had reviewed the matrix and made amendments, which had been submitted to the Office of the Controller in June 2013.

* UNEP/EA.1/1.

4. Subsequently, the Office for Operations and Corporate Services of UNEP drafted a note, to be submitted to the Committee of Permanent Representatives, addressing questions on the matter posed by members of the Committee at its meeting on 25 September. However, the submission of the note was deferred until 5 December 2013, as draft revisions of the financial rules of UNEP were received from the Office of the Controller on 3 December 2013.

Draft revisions of the financial rules of UNEP circulated by the Controller

5. On 3 December 2013, the Office of the Controller circulated draft revisions of the financial rules for review by UNEP management. The draft accorded with the proposal put forward by UNEP, with one exception: it included a proposal by the Department of Management of the United Nations Secretariat to cancel the Executive Director's authority over procurement for contracts for services and goods, currently enshrined in the UNEP financial rules and revisions thereto. Such a change would constitute a significant deviation from the Executive Director's current authority and accountability for activities financed from the Environment Fund and associated trust funds.

6. UNEP has sought the views of the Office of Legal Affairs on procurement matters. In a memorandum dated 20 September 2013, the Office confirmed its opinion of 2007 that procurement funded from the Environment Fund currently remains under the authority of the Executive Director. This is consistent with the opinion of the internal auditors expressed in their report of 2011 on procurement at the United Nations Office at Nairobi.

7. The Executive Directors of UNEP and UN-Habitat met with the Controller and emphasized the importance of: (a) their accountability to their governing bodies; (b) their compact with the Secretary-General; and (c) their Programmes' operational requirements. It was decided that a working group should be convened to discuss options relating to procurement authority and to make recommendations in that regard to the principals (the Under-Secretary-General for Management and his team and the Executive Director of UNEP).

8. The working group was convened on 23 January 2014 and was attended by representatives of UNEP, UN-Habitat, the United Nations Office at Nairobi, the Office of the Controller and the Office of Central Support Services. The UNEP representative restated the position of UNEP that the Executive Director should exercise full procurement delegation in the discharge of his accountability to stakeholders, clarifying that UNEP did not intend to establish its own procurement services. He noted that to date, UNEP had broadly delegated procurement authority to the Department of Management and the United Nations Office at Nairobi and relied primarily on their services, as well as on other service providers within the United Nations system. This was also the case with regard to the Programme's various strategic presences throughout the world, including its regional offices. He expressed the view that UNEP should retain the authority to assign procurement cases to the United Nations Office at Nairobi as service provider and to the United Nations Development Programme, the United Nations Office for Project Services and any other United Nations service provider that met its operational needs most economically and efficiently. UNEP would continue to do so in compliance with the United Nations Financial Regulations and Rules and the procurement guidelines.

9. He noted that the Executive Director of UNEP needed to issue delegations of authority to the managers of the secretariats of the environmental conventions, which were treaty bodies separate from the General Assembly (as confirmed by the Office of Legal Affairs), through which member States had specifically requested the Executive Director of UNEP to provide secretariat services, and to which the member States, through the governing body of UNEP, have agreed to provide such services through UNEP. The Executive Director was thus accountable to member States and other parties for the management of the secretariats, including for procurement activities.

10. The representative of UNEP stated that the level of risk to which the organization was exposed through UNEP procurement was very limited. In 2013, the annual procurement amount was $21.5 million, of which $8.3 million related to procurement actions below $40,000, half of which were for "low value procurement" (below $4,000). Most of the high-value procurement (worth a total of $8.4 million) was for the rental of premises, usually extensions of current leases.

11. He noted that occasionally, however, urgent procurement was needed by UNEP, especially in the framework of operations in post-conflict and post-disaster contexts, with regard to which knowledge of local markets and the capacity for rapid procurement were required. In addition, much of the procurement needs of UNEP were based on local requirements in some 40 locations worldwide, in addition to projects in the regions. The United Nations Office at Nairobi was usually not equipped to provide such procurement services. Although the vast majority of UNEP procurement was done through the Department of Management and the United Nations Office at Nairobi, it was the view of

Executive Director that it was imperative that UNEP maintain the capacity to work with other service providers, in particular those located on the ground, including the United Nations Development Programme and the United Nations Office for Project Services.

12. The representative further noted that in terms of risk management, the Executive Director delegated procurement authority only to qualified personnel, who were required to undertake relevant training prior to exercising such authority. UNEP had conducted both online and instructor-led training to staff members charged with procurement responsibilities (145 staff members were trained in 2013).

II. The way forward

13. According to the existing regulatory framework, the General Assembly establishes the United Nations regulations and the Secretary-General issues the financial rules. The implementation of the regulations and rules is defined through procedures and guidelines set out in Secretary-General's bulletins, administrative instructions and policy and procedural manuals.

14. UNEP notes that the draft revisions to the financial rules dated 3 December 2013 proposed by the Office of the Controller, in clause 201.1, clarified the Executive Director's source of delegated authority. Clause 201.1, as revised by the Controller, reads:

> These rules shall govern the financial management of the Fund of the United Nations Environment Programme (hereinafter referred to as the Fund) established by General Assembly resolution 2997 (XXVII) and other extrabudgetary resources. They are promulgated pursuant to the Financial Regulations of the United Nations as amended in respect of the Fund by General Assembly resolution 3192 (XXVIII). The Secretary-General hereby delegates to the Executive Director of the United Nations Environment Programme (UNEP) authority and responsibility for the implementation of these Financial Rules, for the proper management of the Fund and associated funds. The Executive Director may in turn delegate authority for specific aspects of these Financial Rules to other United Nations officials. These delegations of authority will state whether designated officials may further delegate this authority.

15. UNEP agrees with this provision and believes that it should also apply to procurement authority. Rather than changing the rule on procurement authority, procedures could be further clarified through Secretary-General's bulletins or other forms of internal United Nations arrangements. These could specify conditions of sub-delegation, training and thresholds.

16. Further consultations between the Department of Management, the United Nations Office at Nairobi, UNEP and UN-Habitat were held on 27 March 2014, at which the Director of Procurement reported that the Department of Management would issue a proposal by mid-April 2014, to be considered by the respective under-secretaries-general of UNEP, UN-Habitat and the Department of Management, as well as the Controller. On 3 April 2014, UNEP sent a memorandum to the Director of Procurement providing input.

Annex

Note from the Executive Director to the Committee of Permanent Representatives on financial rule 203.3, 20 November 2013

The annual meeting of the subcommittee of the Committee of Permanent Representatives held on 25 September 2013 included a debate on the proposed revision of UNEP financial rules. At the request of the subcommittee, the present note provides further background and explanation concerning the proposed amendment of financial rule 203.3 on contributions from non-governmental organizations. It should be noted that in addition to this note, the Secretariat will produce a paper for the meeting scheduled for 14 January 2014, which will discuss an agenda item on revisions to the financial rules. Rule 203.3 of the Revised Legislative and Financial Texts regarding the United Nations Environment Programme (UNEP) and the Environment Fund 2003 reads as follows: "Voluntary contributions from non-governmental sources in excess of $500,000 shall be accepted only with prior approval of the Governing Council or its subsidiary body".

The Executive Director wishes to call the attention of Governments to the fact that the above rule hinders the effective acceptance of funds from non-governmental sources.

Contributions from non-governmental sources are subject to the UNEP partnerships policy and guidelines, which require such contributors to be reviewed and cleared by the Partnerships Committee prior to receipt of funds. UNEP safeguards and due diligence have been reviewed by auditors of the Office of Internal Oversight Services and deemed "satisfactory", which is the highest rating possible.

In addition, this rule could prove incompatible with timelines that contributors themselves have, delaying and at times impeding the acceptance and utilization of funds.

The Executive Director would also like to call the attention of Governments to the fact that the United Nations Financial Regulations and Rules have no similar rule. In addition, rule 203.2, which reads "Voluntary contributions shall be accepted without limitations to use for a specific project or purpose. In respect of contributions other than from Governments, the Executive Director may permit exceptions to this rule and shall report thereon to the governing body of the United Nations Environment Programme", ensures that the Committee of Permanent Representatives is systematically informed of all funds received.

Furthermore, following a query by one representative during a Committee of Permanent Representatives subcommittee meeting, the secretariat has further investigated and is unaware of any instance in which such a request was forwarded to the Committee and not endorsed, which also puts in question the added value of this rule.

The Executive Director therefore proposes the abolishment of rule 203.3.